

NLSDS Aggregate Calculation

Opening Slide

It is important to note that a Participant's Guide is required to successfully complete this training. Please use the link listed here to download your copy before proceeding.

Next Slide

Welcome to our recorded training session.

Our topic today "National Student Loan Data System—Aggregate Calculation"

Hello, I am Margaret Day and I am a training officer with region 8 in Denver and with me, is my colleague Bruce Honer from region 9 in San Francisco. Throughout this session, we will be alternating as co-presenters.

The course we are delivering to you today covers the concept of NSLDS aggregate calculations and what Financial Aid Administrators do with the results. In this course, we will discuss some terms and definitions you need to know, and the basic idea of why aggregate information is useful to FAAs. We will also present an example of the NSLDS methodology for calculating aggregate amounts and show ways to use the information.

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Upon completion this course, you will be able to:

- Understand aggregate loan terms
- Identify loan types that impact aggregate limit calculations
- Calculate aggregate limits using NSLDS methodology
- Apply aggregate information to eligibility decisions

Please note pages 1 thru 3 of your Participant Guide (PG) where you will find key terms that will be used throughout this session.

These terms are also repeated as a Glossary in Appendix A of this PG, as well as on the NSLDS web site.

Other items in the Appendices we felt would be useful as job aids are:

- Appendix B—Which will help you find resources that support and provide additional information for this course such as the NSLDS Newsletters AND
- Appendix C— Which contains a chart titled "Loan Level and Aggregate OPB Considerations" that helps to identify which loan types are included in the NSLDS aggregate calculations

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Two of the important terms we will be discussing are:

- Outstanding Principal Balance (or OPB). This is the total principal amount outstanding on a borrower's loan as reported by a loan data provider. The data providers are the lenders which includes ED for Direct Loans, and institutions for Perkins. FFEL lenders report through the Guaranty Agencies. The OPB includes the original amount disbursed for the loan, any adjustments made to the loan disbursement amount (such as returns made under R2T4) and any interest capitalized on the account.
- Aggregate Amounts have two concepts to be aware of:

- **Aggregate Loan Information**— This is the NSLDS table values that display, by loan type, the cumulative OPB, Pending Disbursements, and Totals that are calculated at the loan level. The “Total” counts against the student’s overall loan limits.
- **Loan Level Aggregate OPB**—This is the loan level amount that is added to the student’s aggregate OPB. How this value is calculated by NSLDS depends on the loan type and when the loan was issued.

If you’ll turn your PG to Page 4 you’ll find that we’ve provided some basic information about what this course covers and why it is important. For the next couple of minutes we will provide you a period of silence so you can take the time to read this page.

There are a couple of very good reasons as to why NSLDS aggregate amounts are used.

- First, to help ensure that students are receiving the aid for which they are eligible
- And, second, as a warning that a student’s aggregate balance is nearing or exceeding the pre-set loan limits which are based on both:
 - the academic level of the most recent loan in NSLDS, which is not the same as the self-certified reported grade level on the FAFSA, and
 - The CPS-calculated dependency status

Keep in mind that NSLDS is being updated through various Data Providers, as well as real-time changes on the web. This results in Financial aid professionals having access to student level data by using their web interface access through NSLDSFAP. NSLDSFAP provides a vast amount of information, including the complete Financial Aid History (FAH) of every student who has ever received a federal loan or grant. Remember too, that the student’s FAH is sent with each ISIR transaction and contains most of the NSLDS data history available for that student. Data on the ISIR is current as of the process date on the ISIR. Updated information after the ISIR transaction date can be viewed by going directly to NSLDSFAP.

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As an FAA, you are responsible for reviewing NSLDS loan aggregate information to determine a student’s remaining eligibility. Seeing a student’s overall loan picture helps to determine the maximum loan amounts that a student is eligible to receive without exceeding the aggregate limits.

If you’ll turn to Page 5 of the PG you will see a flow chart that outlines the general NSLDS process for calculating and evaluating aggregate totals for eligibility. We will be going into great detail on each of these steps as we progress through this session. You’ll find that as we go through these steps, a large majority of our time will be spent on step 2.

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Continuing on, by turning to Pages 6 & 7 of the PG you will see a high-level overview of each of these 4 steps.

Step 1. Collect Loan Data

- NSLDS collects and displays information about each loan in a student’s FAH Loan Summary section
- This slide shows two examples of Loan Summaries as identified as loans 1 & 2. Each loan summary will provide specific information about each loan the student has received.
- If you’ll look on page 6 of the PG you’ll see another example of a loan summary. This is the loan #2 summary that will be used as a part of our case scenario throughout the session, not to be confused with the example given on the screen above.

Step 2. Calculate Each Loan Type's Loan Level Aggregate OPB

- Using the example on the screen you'll see that NSLDS identifies the amounts to include in AGG. OPB calculations at the loan level and ensures its inclusion in the OPB in the Loan Summary section of the NSLDS screen
- Each loan type has an AGG OPB that NSLDS calculates using the same general process
- What you see on this slide is a summary with key elements and fields and information about each loan. This is known as the loan level summary.
- If you would like more specific details about each loan, you can select the "Loan Detail" button as referenced by the yellow arrows displayed here.

Step 3. Sum the Loan Level Aggregate OPBs by Loan Type

- Each loan level's Aggregate OPB rolls into its respective loan type's Aggregate OPB total. As you can see in your PG on the chart found on the bottom of page 6 each of 8 different loan types are listed in the chart.
- As you see the loan types displayed in NSLDS, one thing you will notice is that the NSLDS display of PLUS loans and D8 Unsub loans (which is a converted TEACH to Unsub) are generated dynamically. For example, if the student has a PLUS loan, then the PLUS Loan row appears in the Aggregate Loan Information section. In the summary example on page 6 you can see that the student has the fortune of having a PLUS loan, a Grad PLUS loan, and a D8 Unsubsidized loan so all three rows are displayed. We will be going into greater detail on the D8 Unsub loan later on.

Moving to page 7 of your PG you see the final step of evaluating the aggregate totals for eligibility.

- NSLDS compares the calculated aggregates to the loan limits. If the aggregates are close to, equal, or exceed the loan limits, a warning icon will appear in that student's record
- The loan limits refer to the amount of aggregate OPB a student is allowed to carry. A dependent undergraduate, for example, has an FFEL/DL aggregate Subsidized loan limit of \$23,000.
- We'll take a few seconds now to allow you to review the icons and their meanings as found in the chart on page 7.

Next Slide

Now, let's go back to the 2nd step and look at it in more detail on page 8.

NSLDS reviews loans in a student's FAH and then categorizes each loan into its respective loan type.

Think of this as a "bucket." Each bucket contains loans of a single type, such as "Subsidized,"

"Unsubsidized," Perkins," Unallocated," PLUS," or "Grad PLUS."

Loans are also categorized into these 3 main groupings:

1. Recent loans—These are included by loan type in the Agg OPB, but when not fully disbursed, the difference amount is included, by loan type, in the aggregate totals as "Pending Disbursements"
2. Older loans—These are totaled into their respective "loan level" Aggregate OPBs and included in the aggregate OPB "totals"
3. Consolidation Loans (CL)—These are more rigorously examined to correctly categorize each of the underlying loans
 - Consolidation Loans can be FFEL, Direct Subsidized, or Direct Unsubsidized
 - The examination and the related calculations are the same for all three types of CLs

The groupings are accounted for in the aggregate calculation and ensure that the calculation includes all disbursed funds.

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So, what do we mean by “recent” loans.

Recent loans are those that may have adjustments that have not been posted, or they may have additional disbursements not yet reported to NSLDS.

Because of the greater potential for balance changes on these loans, NSLDS does calculate them a little differently by including them at the end of the calculation to take into account for any pending disbursements that may exist.

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As listed here and on page 9 of the PG you can see the criteria for a loan being classified as a recent loan.

Loans are considered recent if both of the following criteria apply:

- The Loan Period End Date plus 90 days has not yet passed, and
- The NSLDS Loan Status is IA (Loan Originated), ID (In School or Grace Period), IG (In Grace Period), or IM (In Military Grace)

This next part is important. If the loan is determined to be recent, then the loan level Aggregate OPB used in NSLDS calculations is the greater of either the loan level OPB or the Disbursed Amount, not to exceed the Net Loan Amount. NSLDS takes the greater amount, considering any pending disbursements to avoid overawards. We will illustrate this more as we progress.

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Let’s look at the older loans.

Looking on the bottom half of the same chart, you’ll see that Older loans are characterized by the fact that they have a Loan Period End Date that is 90 days or older than the present.

In these instances the loan level Aggregate OPB used in NSLDS calculations is the lesser of the loan level:

- Net Loan Amount
- Disbursed Amount, or
- The OPB
- If all three are greater than zero

Typically, after 3 months (90 days), all disbursements have been posted, thus the lesser amount can be used without any worries of possible overawards.

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Let’s look at some detail on the loan types included in the Aggregate calculations

First, is the Subsidized components. Here we’ve provided for you a listing of all of the different loan types that will contribute towards the subsidized loans OPB and totals.

For quick reference and convenience, you will find a chart on “Loan Level and Aggregate OPB Considerations” under Appendix C in your PG. We recommend that you pull this chart as reference while we continue on.

Next Slide

Let's look at an example and make some determinations based on information relevant to this loan record. If you'll go to page 10 of the PG, you'll find "Part 1," of an activity that we'll be progressing through throughout the session. Please take the time to review the questions presented to you during each activity and we'll follow up with answers to see how everyone is doing. Before determining your answer for Part 1 of the activity, we want to establish a couple of things before making an assessment.

- Because of time sensitivity of the data in NSLDS, and for purposes of this training, let's assume we are reviewing financial aid histories in early December 2008.
- By assuming early December 2008, you have a point in time for reviewing the financial aid history and answering the questions pertaining to this example.

That said, we'll provide you a moment of silence at this time so you can determine your answer.

Next Slide

Okay, now that you've had time to find the answers to this activity, let's see how you did. You were to fill in the blank to the following statement: This loan is a (what kind of) loan with loan level Agg. OPB of (how much). As you can see here, we've provided the answers for you.

This is a Recent loan:

Because the Status is IA (Loan Originated) and the Loan Period end date (05/15/2009) plus 90 days has not passed. Remember that we are reviewing this financial aid history in Early December 2008.

And the Loan Level Agg. is \$1,500

- Because the greater of OPB or Disbursed Amount
- In this case, Disbursed Amount of \$1,500 is Greater than the OPB amount of \$0
- So, the Aggregate OPB = \$1,500

Next Slide

Okay, Now let's look at Part 2 of the activity on Page 10 of your PG.

Use the answers from Part 1 to help you determine what the loan level Pending Disbursement is.

Again, we will give you some time to find the answers and follow up with the correct answer on the next slide to see how you did.

Next Slide

Okay, the question presented to us is, "What is the loan level Pending Disbursement?"

This correct Answer is: \$3,000

- Because this has been calculated for recent loans not fully disbursed
- Remember, NSLDS calculates a Pending Disbursement amount when the Loan Period end date plus 90 days has not yet passed and we have a loan status of IA, ID, IG, or IM
- In this example:
 - We have a Guaranteed Amount (or Net Amount) = \$4,500
 - And a Disbursed Amount = \$1,500
 - So, the loan level Pending Disbursement = Net Loan Amt MINUS the OPB = \$3,000

Next Slide

Moving on from the Subsidized loan component, let's now take look at the Unsubsidized loan component which can include any of the loan types listed here. Again, this information is contained on the chart in Appendix C for your reference.

Next Slide

Going on to Page 11, let's look at Part 3 of the Activity and take a moment to answer the question. Keep in mind that we are still calculating this in early December of 2008.

Next Slide

In this activity, we are presented with a true or false question using the following statement: This loan is an older loan with a loan level Agg. OPB of \$1,333 and a loan level Pending Disbursement of \$4,000.

The correct response to this is: False

A TRUE statement would be: This loan is a RECENT loan with a loan level Aggregate OPB of \$1,333 and a loan level Pending Disbursement of \$2,667.

This is a RECENT loan because the status is IA (Loan Originated) and the Loan Period end date (5/15/2009) plus 90 days has not yet passed

The Aggregate OPB is the greater of the OPB or Disbursed Amount. In this case, OPB is \$0, and the Disbursed amount is \$1,333. So, the Aggregate OPB is \$1,333

The Loan Level Pending Disbursement has been calculated for recent loans not fully disbursed. NSLDS calculates a Pending Disbursement amount when the Loan Period end date plus 90 days has not passed and the Loan Status is IA, ID, IG, or IM,

In this example:

- Guaranteed Amount = \$4,000
- Disbursed Amount = \$1,333
- So, loan level Pending Disbursement = Net Loan Amount MINUS OPB = \$2,667.

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The next component is Consolidation Loans.

Remember that we are still in Step 2 of our Flow Chart, but you will see in the Chart in Appendix C, that there are many issues associated with Consolidation Loans.

For example:

- When no underlying loans are reported within 60 days of the financial aid history review the loan level Aggregate OPB is zero
- If a Consolidation Loan is over 60 days old and has no underlying loans, then the whole CL is treated and calculated as Subsidized. This is a worse case scenario that assumes that ALL of the dollars are subsidized.
- CL always fall in the older loan category

We will talk shortly about underlying loans.

Next Slide

If you go to page 12 in the PG, you will see the various steps taken to determine the effect of Consolidation Loans on the Aggregate OPB.

We want to go through this with you and give you a chance to actually make this determination so that you can understand the allocation percentages and methodologies used in this process.

Since this is a sub-process under Step 2, we have identified these as 2A, 2B, etc.

2A. Identify Consolidation Loan's Underlying Loans—those included in the Consolidation Loan

2B. Determine the Number of Consolidation Loans and their Totals

2C. Determine the Calculated Aggregate OPB

2D. Determine Consolidation Loan's Unallocated Aggregate OPB

2E. Calculate Consolidation Loan's Combined Loans Aggregate OPB

As we go through this, I want you to know that our purpose here is to help you understand the logic that NSLDS uses to determine how underlying loans are allocated to one or more Consolidation Loan, and how this allocation rolls up into the aggregate summary table.

Remember that this is not something you have to do. This is a lot like the concept behind the EFC calculation performed by the CPS. Knowing how the calculations are performed by the system will help you understand the concept, if necessary, and can give you some level of confidence in the accuracy of the figures presented.

Next Slide

Let's start with Step 2A.

This slide, also shown on page 13 of the PG, shows a quick step/action table that helps determine whether a loan can be considered an underlying loan to a Consolidation Loan.

Underlying loans have, according to Step 1:

- One of the following loan status codes:
 - PC—Paid in Full through Consolidation Loan
 - PN—Non-defaulted, Paid in Full through Consolidation Loan
 - DN—Defaulted then Paid in Full through Consolidation Loan
 - DP—Defaulted then Paid in Full—for older loans reported/paid off by a Consolidation Loan
 - PF—Paid in Full—for older loans reported paid off by a Consolidation Loan

AND

- According to Step 2, a Loan Status Date that is within 210 days (before or after) of the Consolidation Loan Date.
- Moving on to Step 3, if both of these conditions are met, then the loan is an underlying loan.

Next Slide

This brings us to Page 14 of the PG where you will see a list of loans associated with a student borrower's NSLDS record.

What you see here are two Consolidation loans. *Keep in mind that if a student has two or more open Consolidation Loans with different loan dates, each underlying loan is associated with the Consolidation Loan that has the closest loan date.* However, Looking at the dates of these Consolidation Loans you will see that both loans have the same date. So, our task will ultimately consist of determining how NSLDS allocates the underlying loans to the Consolidation loans.

First, however, for the Part 4 activity, let's figure out what type of loans we have or what "bucket" each loan falls in. Using the categorical boxes at the top of the page, list each loan # under the appropriate loan type category. For instance, if you believe loan # 6 is a subsidized loan, you would put the number 6 in the Subsidized category box and so on.

Feel free to use the definitions and criteria included in the Appendix C chart to help you identify the loan types (or buckets) in which they fall.

I am going to give you a minute or so of silence to figure this out, then we will go to the next slide to review the correct response.

Next Slide

Now that you have had a chance to determine what types of loans we see, let's see how you've answered the question of "Which loans are included in the Subsidized Aggregate OPB?"

The correct answer is 6, 9, 11 and 12

Why? First, because according to our definitions ALL loans shown on that page are "underlying" loans. As such they belong to one or both of the CLs shown.

These are all subsidized loans attributable to the two CLs

Assuming you all filled out the other part of this activity you should have allocated the loans in the following buckets:

#7 (NU-NDSL) is Perkins. This loan is not included in the aggregates

#s 8, 10 and 13 are Unsubsidized Loans which are included in the aggregates

While we allowed for a PLUS loan bucket, you will have noticed that none of the loans presented belonged to this category.

Next Slide

Moving on to Step 2B found on page 15 of your PG, the next thing we want to do is associate those underlying loans with the Consolidation Loans.

Based on loan status dates and paid status codes we determined that all of the loans shown on this slide are underlying loans.

Since both CLs have the same date, we can't use the paid in full status date to determine which underlying loan goes with which CL.

NSLDS logic will determine how much of the total underlying loan types will go into each CL using a ratio analysis, which we will get to in just a minute.

Next Slide

So, based on our examination, of the underlying loans, and following the steps you see on page 15 of the PG, you can see how we completed this step.

1. We have 2 Consolidation Loans
2. The total disbursed amount on those two CLs is \$38,700
3. By distributing the types of underlying loans into our loan type buckets we have:
 1. A Total Subsidized disbursed amount of \$18,725
 2. And a Total Unsubsidized disbursed amount of \$11,700

These will be included in the aggregate amounts

1. I also want to point out to you those loans that are not factored into the Aggregate OPB loan limits as discussed in step 2B. As noted here in your Participants Guide, should the student also have a Perkins, PLUS (whether Parent or Grad), or an Unsubsidized Stafford loan that was a conversion from a TEACH grant (coded D8) neither would be factored into the Aggregate OPB Loan Limits.

5. In the example provided in your PG we happen to have a loan type that will NOT be included in the aggregate amounts:

1. That being the Perkins disbursed amount of \$4,000

Next Slide

A little more on loans that are not included in the Aggregate OPB loan limits. Since TEACH grants are relatively new and the fact that they can convert to Direct Unsub Loans, we want to take a short detour in showing you how these loans can be identified and how they are treated within NSLDS. As you can see here, a loan record associated with a converted TEACH to a Direct Unsub loan can be easily identified. Note how the converted TEACH to Unsub is identified with the D8 code.

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As mentioned earlier, since the converted TEACH to Unsub Direct Loan does not count against the student's Aggregate Loan limit it will appear in the Aggregate Loan Information section as shown here. You will note that it is intentionally listed separate from the Unsub or Combined OPBs to indicate that it was not included as a part of their total sums. Much like the PLUS loan, this particular field will only appear in the event that the student actually possesses such a loan.

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Continuing on page 15, let's move on to Step 2C

What we need to do now is determine how those underlying loan amounts are allocated to the two separate CLs

We do this using a ratio analysis of the disbursement amounts in the underlying loans applied to the Consolidation Loans disbursement amounts

You can see the formula that is used on this slide.

We will use this same formula for allocating each type (bucket) into the two CLs

Next Slide

Let's start with the Subsidized.

We already know, based on our previous activity, that our total Subsidized disbursement amount is \$18,725

And, we know that the total disbursement amount for both CLs is \$38,700

So, using the ratio formula we want to see how to distribute the \$18,625 into each of the two CLs.

Step 1: The ratio is \$18,725 divided by \$38,700 = 0.48385

Step 2: Apply the ratio to each CL

CL #4 total is $\$17,200 \times 0.48385 = \$8,322$

CL #5 total is $\$21,500 \times 0.48385 = \$10,403$

These are the amounts that are included in the Subsidized aggregate OPB of each CL and rolled up into the aggregate summary table

Next Slide

With this new found knowledge of applying a ratio analysis to the figures that comprise the aggregate OPB, let's use that knowledge to calculate the Unsubsidized OPBs for each of the two CLs.

Referring to the loan detail provided to you on page 14, fill in appropriate amounts in the Work Area column of the steps outlined on page 16 of the Participant Workbook.

You will now hear about 2 – 3 minutes of silence to give you all an opportunity to work this out.

Next Slide

Let's see how you did. Even though this slide shows how we calculated the unsubsidized amounts for CL #4 and #5. The calculation is exactly the same for both loans, but we asked you to focus on CL #5.

As you can see:

The amount of \$6,500 for loan #5, and the amount of \$5,200 for loan #4 are the amounts included in the Aggregate OPB of each CL, and are rolled up into the Unsubsidized category in the Aggregate Summary Table.

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The exact same concept and calculation applies to any other loans included in the CLs. Even though the Perkins loan does not count against the student's Sub, Unsub, and Combined aggregate loan limits, it is still rolled up into the aggregate summary table.

On this slide you see how we figured this out for the Perkins Loan/

- The total underlying Perkins Disbursement Amount is \$4,000
- The total CL Disbursement Amount is still \$38,700
- The ratio associated with the Perkins loans is $\$4,000 \div \$38,700 = .10336$
- This ratio applied to CL #4 is $.10336 \times \$17,200 = \$1,778$
- This ratio applied to CL #5 is $.10336 \times \$21,500 = \$2,222$

Next Slide

We have one more piece of information that NSLDS calculates. If you'll turn to page 17 of your PG you find that we move on to Step 2D in determining the CL's Unallocated AGG. OPB. NSLDS does this to account for the differences in the CL Disbursement Amounts and the underlying loan Disbursement Amounts.

If you were to look at the "Loan Detail" information on each of the Consolidation Loans you would see that all of the amounts we just calculated are displayed as you can see for CL #4 on this slide, and on page 17 of the PG.

The unallocated amount is simply a stepped subtraction of each of the previously calculated amounts from the total Disbursed Amount of each of the Consolidation Loans.

For CL #4, this results in an unallocated amount of \$1,900.

The unallocated amounts represent dollar amounts in the Consolidation Loan that cannot be attributed to any particular type of Title IV loan. On the bottom of page 17 in your Workbook you will see a bulleted list of some of the reasons there might be an unallocated amount. This includes:

- Interest and fees or collection costs
- Misreported underlying loans
- Title VII Loans (HEAL)
- Spousal Consolidations
- Timely reporting issues resulting in missing data

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Here is that same simple subtraction calculation for CL #5.

Our unallocated amount for this loan is \$2,375.

The unallocated amounts ARE added to the Aggregate OPB for each of the Consolidation Loans, but ARE NOT counted against the student's combined loan limits or Sub/Unsub limits in the Summary Table.

Next Slide

This brings us to Step 2E which on page 18 of your PG, in which we determine the combined aggregate Sub and Unsub amounts that count toward the student's totals in the Aggregate Summary Table.

The green highlighted boxes in the loan detail for CL #5 show you the amounts that are contained in the "Calculated Combined" aggregate highlighted in blue.

The addition of the unallocated amount to the calculated combined results in the loan level Aggregate OPB shown in the pink highlighted amount in the loan summary.

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We have now completed the multiple steps in the analysis of Consolidation Loans.

Referring back to our original Flow Chart on page 5, we now move on to Step 3 found on page 19 of your PG, which is to sum the loan level aggregate OPBs by loan type. The step combines information on any recent loans, any older loans that are not included as underlying loans in a CL, and Consolidation Loans. These totals are rolled into the Summary table.

With the loan history we have been looking at for Micki, we have:

- One recent FFEL Subsidized Loan AND
- Two recent FFEL Unsubsidized Loans

Two Consolidation Loans (with calculated amounts for Subsidized, Unsubsidized, Unallocated, Perkins)

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On this slide you see the "Subsidized" roll up of information as also illustrated in your PG.

We have:

- Our recent Subsidized loan of \$4,500
 - With \$0 in OPB and \$1,500 in Disbursed Amount, the Agg. OPB = \$1,500
 - This leaves \$3,000 remaining in Pending Disbursements
- With CL #4 having a Subsidized amount of \$8,322
- And CL #5 with a Subsidized amount of \$10,403
- Combine these two amounts with the Agg OPB of \$1,500 from loan #1 and we have an OPB of \$20,225 as seen here under the Loan History screenshot.
- Now add the Pending Disbursement of \$3,000 and you have a Total of \$23,225.

Notice that the total Subsidized amount exceeds the \$23,000 aggregate loan limit, resulting in a warning icon that "exceeds sub limit." We'll address this predicament in a moment.

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Moving on to the Unsubsidized Roll-Up you see that we have added the Unsubsidized loan consisting of:

- Two recent Unsubsidized Loans
 - For Loan #2 - \$0 in the OPB and a disbursed amount of \$1,333 means the Agg OPB will \$1,333 as shown here
 - This leaves \$2,667 in pending disbursements from this loan
 - For Loan #3 – we have \$2,150 in the OPB and a disbursed amount of \$2,000. While the greater amount is \$2,150 in the OPB, the Agg OPB is not to exceed the

Net Amount as shown in the Guaranteed Amt. field. Therefore, the Agg OPB is \$2,000.

- With the CL #4 calculated unsubsidized amount of \$5,200
- And the CL #5 calculated unsubsidized amount of \$6,500
- Combined with the two Agg OPB's from Loans 2 & 3 we come up with an OPB of \$15,033 as shown in the Loan History.

Add the pending disbursement of \$2,667 from loan #2 and the total for this loan type is \$17,700.

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We also roll-up the unallocated amount, even though it does not count against the student's aggregate loan limits.

The unallocated amounts only come about as a result of the CL calculations.

- CL #4 has an unallocated amount of \$1,900
- CL #5 has an unallocated amount of \$2,375

The total unallocated amount of \$4,275 is reflected on the Aggregate Loan Summary Table.

Next Slide

And here you see the end result. Notice that the only amounts included in the "Combined Loan" field, which NSLDS monitors for loan limits, are the subsidized and the unsubsidized amounts.

With a Combined Loan amount of \$40,925 NSLDS flags this record with a warning icon "Close or Equal to Comb Limit."

Since the combined sub/unsub aggregate allowable is \$57,500, it appears that we still have some room, but this warning brings it to the FAA's attention to determine what action, if any, needs to be taken to avoid an overaward.

Next Slide

At which point we are at the final step in our Flow Chart also found on page 20 of you PG: Evaluate the Totals for Eligibility.

We have two warning icons, one that "Exceeds Sub Limit" and another that is "Close or Equal to Comb Limit."

Looking at the figures in the summary table, you can see that we have some issues.

What would YOU do to resolve this?

Next Slide

Well, here are some things you could do to resolve this student's situation:

Reduce the pending disbursement on the "recent" subsidized loan to \$2,775 bringing the total subsidized aggregate to \$23,000.

Increase one of the unsubsidized loans by \$225. This keeps us within the \$5,500 annual base (sub and unsub) without exceeding the aggregate \$23,000 Subsidized.

The Total Unsub amount for both recent Unsub Loans will now be \$6,225. .

If need be, the student still has \$3,500 of unsubsidized loan eligibility remaining and if used would still be within the annual limit of \$12,500 and aggregate limit of \$57,500 assuming the student is an independent undergraduate borrower.

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This brings us back to our flow chart, having now completed the cycle.

I just want to remind you all that what we have done in this session is show you the logic used by NSLDS in calculating the totals used to determine whether or not a student has exceeded or come close to the aggregate loan limits.

You are not required to perform this calculation...NSLDS has done this for you.

Our goal in this session was to help you understand how this is done, and to give you a certain amount of confidence in the figures you see displayed. Current guidance is that a school may rely on the determinations made in NSLDS that affect a student's eligibility. If you have disbursed any Title IV funds based on Financial Aid History received on the ISIR, the school is not held liable for overawards that may be discovered later. Don't forget, however, that you must continue to review new ISIR data that might be received after you have disbursed. It is always possible that new information affecting a student's eligibility could be received as a result of NSLDS Post-Screening, or Transfer Student Monitoring, requiring the FAA to review eligibility for any disbursements not yet made.

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At this point, we'd like to thank you for your participation in this training session. Should you have any questions pertaining to what was presented to you today, please feel free in contacting us using the information provided here. Thank you and have a great day!